

Message Text

UNCLASSIFIED

PAGE 01 LONDON 18409 01 OF 02 151848Z

53

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 IO-13 L-03 PA-02 PRS-01 USIE-00

OIC-02 SSO-00 NSCE-00 INRE-00 CIAE-00 COME-00 DODE-00

DOT-00 FMC-02 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06

OES-06 AID-05 FRB-01 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /089 W

----- 107957

O 151842Z NOV 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 7696

UNCLAS SECTION 01 OF 02 LONDON 18409

PASS TREASURY FOR JACKLIN

E.O. 11652: N/A

TAGS: EWWT, PORG, IMCO

SUBJECT: IMCO - INTERNATIONAL CONFERENCE ON LIMITATION
OF LIABILITY FOR MARITIME CLAIMS

REF: LARSEN/JACKLIN TELCON NOV 15

1. HERewith IS PROPOSAL SUBMITTED BY THE DELEGATION
OF THE FEDERAL REPUBLIC OF GERMANY ON CONVERSION
FACTORS: QUOTE ARTICLE 8. CONVERSION FACTORS WILL
HAVE TO BE USED WHEN THE LIMITATIONS AGREED UPON IN
DOLLAR TERMS ARE TRANSFORMED INTO SDR-UNITS AND
MONETARY UNITS (GOLD UNITS). A CONVERSION FACTOR
WILL BE NEEDED WHEN REPLACING GOLD FRANCS BY SDR IN
THE THREE CONVENTIONS OF 1969, 1971 AND 1974.

2. A. CONVERSION FACTOR US DOLLAR/SDR
THE FACTOR IS TO BE FOUND BY APPLYING THE
METHOD OF VALUATION USED BY THE INTERNATIONAL
MONETARY FUND (IMF), THE SO-CALLED METHOD OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 18409 01 OF 02 151848Z

THE STANDARD BASKET OF CURRENCIES. ON 9

NOVEMBER, 1976, THE RATIO WAS 1 SDR EQUAL TO
1.15392 US DOLLARS. THIS GIVES A
CONVERSION FACTOR OF 1 US DOLLAR EQUAL TO
0.8666SDR.
THIS IS NOT FAR FROM THE RATIO OF 6:5.

3. B. CONVERSION FACTOR US DOLLAR/MONETARY (GOLD)
UNITS

TWO METHODS CAN BE APPLIED TO FIND THIS FACTOR.
THEY LEAD TO DIFFERENT RESULTS. (FOR THE
PURPOSE OF COMPARISON, THE RESPECTIVE COUNTER-
VALUES OF 1,000 GOLD FRANCS (MONETARY UNITS)
ARE GIVEN IN SQUARE BRACKETS.)

(1) PARITY RELATION DOLLAR/GOLD-UNIT
THE PARITY LAST NOTIFIED BY THE GOVERNMENT OF
THE UNITED STATES TO THE INTERNATIONAL
MONETARY FUND IS 42.2222 US DOLLAR PER OUNCE OF
FINE GOLD (31.1035 GRAMS). THE OFFICIALLY
NOTIFIED GOLD CONTENT OF THE US-DOLLAR THERE-
FORE IF 1 DOLLAR EQUAL TO 0.736662 GRAMS OF
FINE GOLD. THE GOLD CONTENT OF THE MONETARY
UNIT (GOLD UNIT) BEING 0.05895 GRAMS OF FINE
GOLD (1000/1000), THIS WAY LEADS TO A CONVER-
SION FACTOR OF 1 US-DOLLAR EQUAL TO 12.5
MONETARY (GOLD) UNITS (1,000 MONETARY UNITS
EQUAL TO 80 US-DOLLARS).

(2) SDR-RELATION DOLLAR/GOLD UNIT
COMPARING THE GOLD CONTENT OF THE SDR 0.888671
GRAMS OF FINE GOLD AGREED UPON BY 129 STATES
IN THE ARTICLES OF AGREEMENT OF THE INTER-
NATIONAL MONETARY FUND WITH THE GOLD CONTENT OF
ONE MONETARY UNIT (0.05895 GRAMS OF FINE GOLD)
THIS WOULD LEAD TO A CONVERSION FACTOR OF 1 SDR
EQUAL TO 15.1 MONETARY UNITS. USING THE

ARMSTRONG

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 18409 02 OF 02 151848Z

53

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 IO-13 L-03 PA-02 PRS-01 USIE-00

OIC-02 SSO-00 NSCE-00 INRE-00 CIAE-00 COME-00 DODE-00

DOT-00 FMC-02 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06

OES-06 AID-05 FRB-01 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /089 W

----- 108012

O 151842Z NOV 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 7697

UNCLAS SECTION 02 OF 02 LONDON 18409

PASS TREAS JACKL

BASKET VALUE OF THE SDR (SEE PARAGRAPH A) OF
1 SDR EQUAL TO 1.15392 DOLLARS, WE ARRIVE AT A
CONVERSION FACTOR OF 1 US-DOLLAR EQUAL TO 13.1
MONETARY UNITS (1,000 MONETARY UNITS EQUAL TO
76 US-DOLLARS).

(3) WHILE ADMITTING THAT THE RESULTS OF THE
TWO METHODS ARE NOT TOO FAR APART, THE DELE-
GATION OF THE FEDERAL REPUBLIC OF GERMANY
FAVOURS THE METHOD USED IN PARAGRAPH 2 ABOVE.
IT LEADS TO RESULTS THAT ARE CLOSER TO THE
PRESENT ECONOMIC AND MONETARY STRUCTURE THAN
THE PURE PARITY RELATIONS THAT ARE OUTMODED
TO A CERTAIN EXTENT. MOREOVER, THE PREFERRED
METHOD IS CLOSEST TO THE METHOD OF CALCULATION
PROVIDED FOR IN ARTICLE 8, PARAGRAPH L OF THE
DRAFT CONVENTION.

3. C. CONVERSION FACTOR GOLD FRANCS/SDR

THIS FACTOR WILL BE NEEDED WHEN REPLACING GOLD
FRANCS (POINCARÉ FRANCS) BY SDR IN THE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 18409 02 OF 02 151848Z

CONVENTIONS OF 1969, 1971 AND 1974. IT IS TO
BE CALCULATED IN THE WAY INDICATED IN PARAGRAPH
B(2), THE RESULT BEING A CONVERSION FACTOR
OF 1 GOLD FRANC (POINCARÉ) EQUAL TO 0.066 SDR
(1,000 GOLD FRANCS EQUAL TO 76 US DOLLARS).

4. D. SUMMARY OF FACTORS

1 US DOLLAR EQUALS 0.86666SDR
EQUALS 13.1 (OR 12.5) MONETARY
UNITS (GOLD FRANCS)
1 MONETARY UNIT EQUALS 0.076 (OR 0.080)
US DOLLARS

(1 GOLD FRANC) EQUALS 0.066 SDR

1 SDR EQUALS 1.15392 US DOLLARS

EQUALS 15.1 MONETARY UNITS (GOLD FRANCS)

UNQUOTE

ARMSTRONG

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTERNATIONAL ORGANIZATIONS, MEETING DELEGATIONS, MARITIME MEETINGS, MONETARY AGREEMENTS, MONETARY GOLD
Control Number: n/a
Copy: SINGLE
Draft Date: 15 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON18409
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760426-0134
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761148/aaaabpna.tel
Line Count: 175
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: powellba
Review Comment: n/a
Review Content Flags:
Review Date: 10 AUG 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 AUG 2004 by vandyklc>; APPROVED <16 NOV 2004 by powellba>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IMCO - INTERNATIONAL CONFERENCE ON LIMITATION OF LIABILITY FOR MARITIME CLAIMS
TAGS: EWWT, PORG, IMCO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006